

State of California—Health and Human Services Agency
Department of Health Services



GRAY DAVIS
Governor

January 13, 2003

PPL No. 03-002

TO: Local Educational Consortia (LEC)
Local Governmental Agencies (LGA)
Medi-Cal Administrative Activities (MAA) and
Targeted Case Management (TCM) Coordinators

SUBJECT: **FEDERAL FINANCIAL PARTICIPATION RATE FOR MEDI-CAL
ADMINISTRATIVE ACTIVITIES PERFORMED BY SCHOOL-BASED
SKILLED PROFESSIONAL MEDICAL PERSONNEL**

This Policy and Procedures Letter (PPL) addresses the Federal Financial Participation (FFP) rate available for Medi-Cal Administrative Activities (MAA) performed by Skilled Professional Medical Personnel (SPMP) in the school setting. This PPL informs you that effective January 1, 2003, the enhanced FFP rate of 75 percent will no longer be available for the Program Planning and Policy Development activity performed by SPMP school employees.

The Centers for Medicare and Medicaid Services (CMS) has determined that many non-SPMP school employees (without the professional medical training and expertise of an SPMP) conduct such administrative activities, in addition to or instead of SPMPs. Since non-SPMP school employees are able to perform such administrative activities, the performance of these administrative activities does not require the use of an SPMP; and does not require that SPMPs utilize their professional medical training and expertise when they perform such administrative activities.

Further, activities that require individuals to use their advanced medical skills and training are likely provided as part of a medical service (i.e., direct care services), and as such are not reimbursable as administrative costs under the Medicaid program (i.e., MAA costs). Federal matching for costs of the activities provided as medical services and performed by such individuals who are qualified Medicaid (Medi-Cal) providers may be claimed as medical assistance expenditures under the Medicaid program (as distinguished from the costs claimed as MAA), in accordance with the appropriate requirements associated with claiming for medical assistance expenditures.



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In summary, effective January 1, 2003, FFP is no longer available at the enhanced rate of 75 percent for the costs of administrative activities performed by school-based SPMPs. MAA performed by SPMPs in the school setting may be claimable at the FFP rate of 50 percent. Therefore, all school-based claims/invoices effective for the quarter beginning January 1, 2003 (i.e., January 1, 2003 – March 31, 2003; FY 2002/2003 – 3rd Quarter) forward must comply with this new policy. It will not be permissible to claim Cost Pool 1 on school-based claims/invoices.

School-based claims/invoices that included SPMP costs for periods prior to January 1, 2003 will only be allowable if the claims met the requirements for claiming at the enhanced SPMP FFP rate.

CMS will address this new policy further in the forthcoming final Medicaid School-Based Administrative Claiming Guide. Additionally, attached, for your information, is the CMS Signed State Medicaid Director Letter – SMDL #02-018 that addressed the FFP rate for MAA performed by school-based SPMPs.

Claiming plans do not need to be amended solely to show school-based SPMPs claimable at the FFP rate of 50 percent.

If you should have any questions concerning this policy, please contact your claiming analyst or Ms. Georgia Rivers, Chief of the Administrative Claiming Operations Unit, at (916) 657-0627 or by e-mail at grivers2@dhs.ca.gov.

Sincerely,

Patricia L. Morrison, Chief
Administrative Claiming Local and
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Enclosure

cc: See next page.

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